

Item 1: Cover Page



CROSSGRAIN
FAMILY INVESTMENTS

CrossGrainFI Family Investments, LLC

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Form ADV Part 2A – Firm Brochure

Dated: January 29, 2024

This Brochure provides information about the qualifications and business practices of CrossGrainFI Family Investments, LLC (“CrossGrainFI”). If you have any questions about the contents of this Brochure, please contact us at (804) 217-2561. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

CrossGrainFI Family Investments, LLC is registered as an Investment Adviser with the SEC. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about CrossGrainFI available on the SEC’s website at www.adviserinfo.sec.gov which can be found using the firm’s identification number 318373.

Item 2: Material Changes

Since CrossGrainFI last annual ADV update dated January 19, 2023, CrossGrainFI has made the following material changes:

- We have updated our disclosures related to our services and fees for clarification. There has been no changes to the services and fees we offer.
- We have updated Item 8 of this Brochure to add a description of our methods of analysis and investment strategies, along with risks related to investment products we may recommend.
- We have disclosed our safeguarding procedures for 3rd party standing letters of authorization we may have on your account(s).

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Item 4: Advisory Business

Description of Advisory Firm

CrossGrainFI Family Investments, LLC is an Investment Adviser principally located in the state of Virginia. We are a limited liability company and became registered with the SEC (Securities and Exchange Commission) as of 2022. Jeffrey Mussatt and William A. Pusey, Jr. are the principal owners.

As used in this brochure, the words "CrossGrainFI", "we", "our firm", "Advisor" and "us" refer to CrossGrainFI Family Investments, LLC and the words "you", "your" and "Client" refer to you as either a client or prospective client of our firm.

Types of Advisory Services

CrossGrainFI Family Investments is a concierge family wealth advisor providing financial planning, investment management and tax strategy services.

Investment Management Services (CrossGrainFI Manages)

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which the mission, vision, goals, and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the client's stated objectives (e.g., maximum capital appreciation, growth, income, or growth and income), as well as risk tolerance and tax considerations.

We primarily advise our Clients regarding investments in exchange-traded equities, non exchange-traded equities, bonds, mutual funds, ETFs, U.S. government and municipal securities, and cash and cash equivalents. We may also provide advice regarding investments held in Client's portfolio at the inception of our advisory relationship and/or other investment types not listed above, at the Client's request.

When we provide investment management services, Clients grant us limited authority to buy and sell securities on a discretionary basis. More information on our trading authority is explained in Item 16 of this Brochure. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

At no additional fee and at Client's election, CrossGrainFI also provides the Client with financial planning services. A Client will be taken through establishing their goals and values around money. Clients will be required to provide pertinent information to help complete the following areas of analysis: net worth, cash flow, insurance, credit scores/reports, employee benefits, retirement planning, insurance, investments, college planning, and estate planning. Once the Client's information is reviewed, a financial plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the Client.

Co - Investment Management Services (CrossGrainFI Advises)

CrossGrainFI provides advice to Accredited Investors and Qualified Client's in various private investment opportunities (such as private real estate and private equity) and asset classes (such as equities, fixed income and alternatives). CrossGrainFI will provide advice to Clients from time to time about opportunities to invest in these private investments and how to manage those assets and incorporate those holdings into the Client's overall investment strategy. CrossGrainFI does not represent it can or will advise Clients of all available opportunities. CrossGrainFI does not have discretionary authority under this service and the Client is responsible for making all investment decisions. We do not provide financial planning services as part of these engagements.

Client Tailored Services and Client Imposed Restrictions

We tailor the delivery of our services to meet the individual needs of our Clients. We consult with Clients initially and on an ongoing basis, through the duration of their engagement with us, to determine risk tolerance, time horizon and other factors that may impact the Clients' investment and/or planning needs.

Clients are able to specify, within reason, any restrictions they would like to place as it pertains to individual securities and/or sectors that will be traded in their account/advised on or recommended. All such requests must be provided to CrossGrainFI in writing. CrossGrainFI will notify Clients if they are unable to accommodate any requests.

Wrap Fee Programs

We do not participate in wrap fee programs.

Assets under Management

As of December 31, 2023, CrossGrainFI has \$143,117,637 in discretionary assets under management and \$0 in non-discretionary assets under management.

Item 5: Fees and Compensation

Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without penalty. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

Investment Management Services (CrossGrainFI Manages)

Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

Account Value	Annual Advisory Fee
\$0 - \$2,000,000	1.00%
\$2,000,001- \$5,000,000	0.75%
\$5,000,000 and above	0.50%

The minimum Fee for Investment Management Services is \$10,000 per year (\$2,500 per quarter). This minimum may be waived or reduced at the discretion of the Advisor.

The annual fees are billed quarterly in advance based on the first business day of the quarter. Fees are negotiable. The advisory fee is a blended tier. For example, for assets under management of \$6,000,000, a Client would pay 1.00% on the first \$2,000,000, 0.75% on the next \$3,000,000, and 0.50% on the remaining balance. The fee is calculated by the following formula: $[\text{Billable Balance} \times ((\text{number of days in quarter} / \text{number of days in the year}) \times \text{Annual Rate})]$. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Advisory fees are directly debited from client accounts, or the client may choose to pay by credit card or check via an online payment system. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 30 calendar days in advance. Upon termination of the account, any unearned fee will be refunded to the client.

Co - Investment Management Services (CrossGrainFI Advises)

Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

Account Value	Annual Advisory Fee
\$0 - \$500,000	\$100 Annual Administrative Fee plus .75% of AUM
\$500,001 - \$5,000,000	0.50%
\$5,000,001 and above	0.25%

The annual fees are billed quarterly in advance based on the first business day of the quarter. Fees are negotiable. The advisory fee is a blended tier. For example, for assets under management of \$4,000,000, a Client would pay 0.75% on the first \$500,000, 0.50% on the remaining balance. The fee is calculated by the following formula: $[\text{Billable Balance} \times ((\text{number of days in quarter} / \text{number of days in the year}) \times \text{Annual Rate})]$. No increase in the annual fee rate shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Accounts initiated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period. CrossGrainFI relies on the valuation as provided by Client's custodian in determining assets under management and/or capital statements that are emailed to CrossGrainFI directly from the issuer(s). CrossGrainFI fees are charged based on called capital adjusted for markup and markdown as determined by the provider. CrossGrainFI does not charge on committed capital.

Advisory fees are directly charged to Client via Advice Pay, or other online payment system Advisor utilizes on an on-going basis, unless otherwise agreed in writing.

Upon termination of this service by Client while there is still value in the account under Advisor's management, Client will be charged a fee equal to 4 times the last calendar quarter's AUM fee.

Other Types of Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending custodians for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees and Side-By-Side Management

We do not offer performance-based fees.

Item 7: Types of Clients

We provide financial planning and portfolio management services to high net-worth individuals and families.

Our minimum account size requirement for investment management services is \$3,000,000. The minimum Fee for Investment Management Services is \$10,000 per year (\$2,500 per quarter).

Our minimum account size requirement for co-investment services is \$500,000.

These minimums may be waived or reduced at the discretion of the Advisor.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Below is a brief description of our methods of analysis and primary investment strategies.

Methods of Analysis

Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Technical analysis involves using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may underperform other trading methods when fundamental factors dominate price moves within a given market.

Mutual Fund and/or ETF Analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the Client's portfolio. In addition, we monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable for the Client's portfolio.

Investment Strategies

Asset Allocation

In implementing our Clients' investment strategy, we begin by attempting to identify an appropriate ratio of equities, fixed income, and cash (i.e. "asset allocation") suitable to the Client's investment goals and risk tolerance.

A risk of asset allocation is that the Client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the Client's goals. We attempt to closely monitor our asset allocation models and make changes periodically to keep in line with the target risk tolerance model.

Passive Investment Management

We practice active and passive investment management. Active management involves selection of single name securities or selection of a single manager or managers who employ some method, strategy, or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Passive investing involves building portfolios comprised of distinct asset classes which are weighted to achieve a desired relationship between correlation, risk, and return. Investments that actively or

passively capture the returns of the desired asset classes, including single securities, index mutual funds and exchange traded funds, are placed in the portfolio.

Passive investment management is characterized by low portfolio expenses (i.e., the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal). Academic research indicates most active managers underperform in the market. However, we use active investment management when market circumstances indicate an opportunity for active techniques to outperform, or reduce risk more effectively, than passive investments.

Material Risks Involved

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Strategy Risk: The Adviser's investment strategies and/or investment techniques may not work as intended.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or securities' claim on the issuer's assets and finances.

Inflation: Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Common stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could adversely affect the price of all stocks.

Corporate Bonds are debt securities to borrow money. Issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero-coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Exchange Traded Funds prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs (exchange traded funds) are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

Investment Companies Risk. When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Non-traded REIT or Institutional REIT Funds: To the extent that a Client invests in REITs, it is subject to risks generally associated with investing in real estate, such as (i) possible declines in the value of real estate, (ii) adverse general and local economic conditions, (iii) possible lack of availability of mortgage funds, (iv) changes in interest rates, and (v) environmental problems. In addition, REITs are subject to certain other risks related specifically to their structure and focus such as: dependency upon management skills; limited diversification; the risks of locating and managing financing for projects; heavy cash flow dependency; possible default by borrowers; the costs and potential losses of self-liquidation of one or more holdings; the possibility of failing to maintain exemptions from securities registration; and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility.

Private Placements: A Private placement (also referred to as Reg D offering) is a security or pooled investment fund that is not offered for sale to the public. While their issuance is governed under the Securities Act of 1933, private placements are not registered with the SEC like stocks, bonds or other publicly traded securities. Because private placements are illiquid investments, with no guarantee of returns, distributions, or interest payments. They are intended for experienced and sophisticated investors who are willing to bear the high degree of various risks of the investment. Such risks include, but are not limited to, liquidity risk, market risk, credit risk, and interest rate risk.

Options and other derivatives carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

Item 9: Disciplinary Information

Criminal or Civil Actions

CrossGrainFI and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

CrossGrainFI and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

CrossGrainFI and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of CrossGrainFI or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

No CrossGrainFI employee is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No CrossGrainFI employee is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Neither CrossGrainFI or its management persons have any relationship or arrangement with any outside financial industry related parties.

CrossGrainFI only receives compensation directly from clients. We do not receive compensation from any outside source.

CrossGrainFI does not recommend or select other investment advisers for our clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc. and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

Code of Ethics Description

This code does not attempt to identify all conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to clients.
- Competence - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.

- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matters shall reflect credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm and its "related persons" may buy or sell securities like, or different from, those we recommend to clients for their accounts. To reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

Trading Securities At/Around the Same Time as Client's Securities

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as clients. To address this conflict, it is our policy that neither our firm or access persons shall have priority over Clients' accounts in the purchase or sale of securities.

Item 12: Brokerage Practices

Factors Used to Select Custodians

Advisor does not have any affiliation with any custodian we recommend. Specific custodian recommendations are made to the Client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

In recommending custodians, we have an obligation to seek the "best execution" of transactions in Client accounts. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the custodian's services. The factors we consider when evaluating a custodian for best execution include, without limitation, the custodian's:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.);
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, security and stability;
- Prior service to us and our clients.

With this in consideration, our firm recommends Charles Schwab & Co., Inc. ("Schwab"), an independent and unaffiliated SEC registered broker-dealer firm and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Additionally, for clients who hold alternative assets, we may recommend custodians who are able to hold those assets in qualified accounts, however, we do not have any benefits or soft dollars from those providers.

Research and Other Soft-Dollar Benefits

We do not have any soft-dollar arrangements with custodians whereby soft-dollar credits, used to purchase products and services, are earned directly in proportion to the amount of commissions paid by a Client. However, as a result of being on their institutional platform, Schwab may provide us with certain services that may benefit us.

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide our Clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our Clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The benefits received by Advisor or its personnel do not depend on the number of brokerage transactions directed to Schwab. As part of its fiduciary duties to Clients, Advisor at all times must put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of Schwab for custody and brokerage services. This conflict of interest is mitigated as Advisor regularly reviews the factors used to select custodians to ensure our recommendation is appropriate. Following is a more detailed description of Schwab's support services:

1. **Services that benefit you.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our Clients. Schwab's services described in this paragraph generally benefit you and your account.
2. **Services that may not directly benefit you.** Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services

assist us in managing and administering our Clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our Clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to Client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple Client accounts
- provide pricing and other market data
- facilitate payment of our fees from our Clients' accounts
- assist with back-office functions, recordkeeping, and Client reporting

3. **Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession

4. **Your brokerage and custody costs.** For our Clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees.

Brokerage for Client Referrals

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

Clients Directing Which Custodian to Use

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve the most favorable execution of client transaction, and this may cost clients' money over using a lower-cost custodian. By primarily recommending clients to Schwab, there may be cases where Schwab does not always have the lowest costs for transacting securities. The client should be aware that there may be lower priced custodians.

Aggregating (Block) Trading for Multiple Client Accounts

Generally, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment. Certain securities may not have the ability to be batched into aggregated orders and in those cases the costs to

trade those securities will be higher.

Item 13: Review of Accounts

Client accounts with the Investment Management Service will be reviewed regularly quarterly by Jeffrey Mussatt, Managing Partner and CCO (Chief Compliance Officer) and William A. Pusey, Jr., Partner and Financial Adviser. The account is reviewed regarding the client's investment policies and risk tolerance levels.

Events that may trigger a special review would be unusual performance, addition, or deletions of client-imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the custodian for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

CrossGrainFI will provide written reports to Investment Management clients annually. We urge clients to compare these reports against the account statements they receive from their custodian.

Item 14: Client Referrals and Other Compensation

Compensation Received by CrossGrainFI

CrossGrainFI is a fee-only firm that is compensated solely by its Clients. CrossGrainFI does not receive commissions or other sales-related compensation. Except as mentioned in Item 12 above, we do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our Clients.

Client Referrals from Solicitors

CrossGrainFI does not, directly or indirectly, compensate any person who is not advisory personnel for Client referrals.

Item 15: Custody

All accounts are held by an independent Custodian selected by the client. With the exception of CrossGrainFI's ability to debit fees, and the ability to disburse or transfer certain funds to third parties pursuant to Standing Letters of Authorization executed by Clients, CrossGrainFI does not otherwise have custody of the assets in the account.

CrossGrainFI has the ability to directly deduct its advisory fees from client's custodial account. When doing so, (1) CrossGrainFI sends a copy of its invoice to the Custodian at the same time that it sends a copy to the client, (2) the Custodian sends quarterly statements to the client showing all disbursements for the custodian account, including the amount of our advisory fees, and (3) the client provides written authorization permitting us to be paid directly from their accounts held by the Custodian.

CrossGrainFI can establish standing letter of instructions or other similar asset transfer authorization arrangements ("SLOA") with qualified custodians in order for us to disburse funds to accounts as specifically designated by the client. With a SLOA a client can typically authorize first-party and/or third-party transfers. If transfers are third-party, CrossGrainFI complies with each of the requirements and conditions enumerated below:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes CrossGrainFI, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
5. CrossGrainFI has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. CrossGrainFI maintains records showing that the third party is not a related party of CrossGrainFI or located at the same address as CrossGrainFI.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16: Investment Discretion

For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. The client may pose reasonable on as to the securities or types of securities the adviser may invest in, however, certain restrictions may cause Adviser to deviate from implementing investment decisions it would otherwise make in managing the Account and may impair the attainment of the Client's investment objectives and affect overall performance of the Account. Additionally, the performance of the Account may materially differ from otherwise similar accounts managed on a fully discretionary basis by Adviser. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client.

We do not have discretion over co-invest clients but make suggestions for private investments based on their expressed interests.

Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance.